

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re

JAMES DAVID GEORGE BURT,

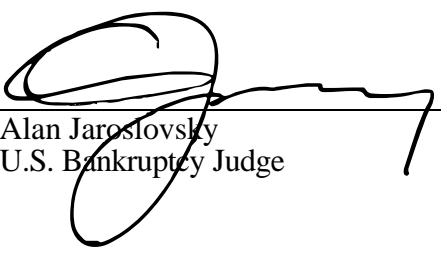
No. 05-11568

Debtor(s).

Memorandum

When a bankruptcy petition is filed, fraudulent conveyance actions become property of the bankruptcy estate. Continued prosecution by a creditor creates two problems: the creditor violates § 362(a)(3) of the Bankruptcy Code by exercising control over property of the estate, and the creditor lacks standing to pursue the action. The proposed stipulation between the Trustee and creditor Richard Dinihanian solves the first problem but not the second. Accordingly, the court declines to approve it.

Dated: July 11, 2006


Alan Jaroslovsky
U.S. Bankruptcy Judge